

## Message Text

UNCLASSIFIED

PAGE 01 STATE 111115  
ORIGIN NEA-03

INFO OCT-01 ISO-00 /004 R

66011

DRAFTED BY NEA/RA:DMORRISON

APPROVED BY NEA/RA:SEPALMER, JR

NEA/AFN:ABERGSTROM

-----127046 020336Z /65

R 020154Z MAY 78

FM SECSTATE WASHDC

INFO AMEMBASSY TRIPOLI 4896

UNCLAS STATE 111115

FOLLOWING REPEAT ROME 6911 SENT ACTION SECSTATE INFO TREASURY  
USDOC APR 13.

QUOTE: UNCLAS ROME 6911

E.O. 11652: N/A

TAGS: ETRD, IT, LY

SUBJECT: ARAB BOYCOTT--STEEL FOR LIBYA

1. SUMMARY: EMBASSY HAS BEEN VISITED BY OFFICER OF ARMCO  
FINSIDER STEEL CO., A FIFTY PERCENT AMERICAN, FIFTY PERCENT ITALIAN  
COMPANY ORGANIZED IN ITALY. HAVING SOLD APPROX 750 METRIC TONS  
STEEL PRODUCT TO LIBYA THEY HAVE NOW BEEN REQUESTED ON  
LETTER OF CREDIT TO FURNISH NEGATIVE CERTIFICATE OF ORIGIN.  
ARMCO OFFICIALS IN OHIO HOME OFFICE HAVE DECLARED TERMS UNACCEP-  
TABLE. IF IMPOSSIBLE TO HAVE TERMS WITHDRAWN, THEN SALE WOULD  
HAVE TO BE REFUSED. FINSIDER, ALREADY IN SOMEWHAT DIFFICULT  
POSITION, BALKS AT LOSING DOLS FOUR HUNDRED THOUSAND SALE.  
END SUMMARY.

2. TWO ITALIAN OFFICIALS OF ARMCO FINSIDER STEEL COMPANY,  
ROME-BASED ITALIAN AMERICAN JOINTLY OWNED COMPANY, HAVE VISITED  
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EMBASSY TO DISCUSS ARAB BOYCOTT ROBLEM REGARDING LIBYA. HAVING  
ALREADY SECURED ORDER FOR ABOUT 750 TONS STEEL HIGHWAY GUARDRAIL  
WORTH DOLS FOUR HUNDRED THOUSAND, THEY HAVE NOW BEEN CONFRONTED  
WITH A LETTER OF CREDIT WHICH REQUIRES NEGATIVE CERTIFICATE OF  
ORIGIN. L/C IS DRAW ON SAHARA BANK IN BENGHAZI.

3. ARMCO FINSIDER IF FIFTY PERCENT ITALIAN-AND FIFTY PERCENT

AMERICAN-OWNED. THREE ITALIANS AND THREE AMERICANS SIT ON BOARD OF DIRECTORS. ITALIAN DIRECTOR GENERAL VOTES IN CASES OF TIE VOTES. FINSIDER PARENT IS MAJOR FINANCIAL HOLDING COMPANY IN IRON AND STEEL SECTOR. COMMENT; CONTROL APPEARS TO REST WITH ITALIAN INTERESTS. END COMMENT.

4. LOCAL OFFICIALS HAVE SOUGHT ADVICE OF ARMCO OFFICIALS IN MIDDLETOWN OHIO REGARDING THIS PROBLEM. ARMCO HAS SAID THAT TERMS ARE UNACCEPTABLE AND THAT ORDER MUST BE REFUSED. FURTHER, THEY HAVE SUGGESTED ISSUANCE OF NEW LETTER OF CREDIT WITHOUT SUCH TERMS. LIBYANS HAVE REFUSED. LOCAL ITALIAN OFFICIAL, IN SERIOUS PREDICAMENT, HAS COME TO EMBASSY IN GOOD FAITH, FULLY AWARE THAT HIS VISIT IS TANTAMOUNT TO OFFICIAL NOTIFICATION OF CASE. HE IS ALSO AWARE THAT FINSIDER, IN POSITION SIMILAR TO MANY STEELWORKS IN WESTERN WORLD, WILL NOT TAKE LIGHTLY THE CANCELLATION OF AN ORDER NOT EASILY SECURED. FURTHERMORE, THEY ARE CURRENTLY NEGOTIATING WITH SYRIA FOR A MUCH LARGER ORDER AND FEAR A SIMILAR RESULT.

5. ACTION REQUESTED: PLEASE ADVISE EMBASSY SOONEST WHAT, IF ANY, EXTENUATING CIRCUMSTANCES OF OWNERSHIP OR EXCEPTIONS MIGHT APPLY TO ARMCO FINSIDER IN THIS INSTANCE. NOTE THAT WE HAVE A COPY OF LETTER OF CREDIT DOCUMENT AND WILL FORWARD IT IF USEFUL TO YOU. GARDNER  
UNQUOTE CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, ARABS, BOYCOTTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
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**Document Number:** 1978STATE111115  
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**Drafter:** DMORRISON  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780186-0322  
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**Review Event:**  
**Review Exemptions:** n/a  
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**SAS ID:** 2516795  
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**Subject:** ARAB BOYCOTT--STEEL FOR LIBYA  
**TAGS:** ETRD, IT, LY  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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